

The Bank of Persia.

The Imperial Bank of Persia was established for thirty years by a group of English capitalists in 1889, and its head office is in London. The capital of the bank is £650,000, with authority to increase to £4,000,000, and the metallic reserve is required to be at least one-third of the amount of notes in circulation. The excess of circulation above the reserve is not allowed to exceed the amount of the capital actually paid in. The reserve may consist of gold or silver, but the charter provides that if Persia adopts the single standard of gold or silver, three-fourths of the reserve shall be held in the metal which may be adopted as the standard. The notes constitute a first lien upon the reserve and may be redeemed at the expense of reducing the reserve below the legal limit.¹ Branches of the bank have been established at Teheran, Isfahan, Tabriz, Meshhed, Shiraz, Yezd, Resht, Kerman-shahan, and other leading points. The bank advanced £500,000 to the Persian Government in 1892, for the purpose of buying back the tobacco monopoly from those who held it, and was accorded the guarantee of reimbursement from the customs duties. The dividends paid in 1895 were £35,000, notwithstanding some losses during the previous few years arising from the depreciation of silver.² The net profits of 1907, in spite of political disturbances, were £278,215.

In spite of competition, the business of the bank has increased rapidly in recent years. Total assets, which were £402,694 in 1895, were £1,189,027 on September 20, 1907. The growth in the use of paper currency in Persia is indicated by the increase in circulation during the same interval from £72,668 to £395,012 (\$1,925,000). The circulation of 1906 was £460,000. Cash on hand and at call increased from £141,986 in 1895 to £387,093 in 1907, discounts from £799,726 to £1,167,049, and deposits from £239,164 to

¹ y, 236.

² *Revue des Banques*, Bee., 1894, XIII., 253.

³ *London Economist* May 23, 1908.